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Strengthening of the coordination of humanitarian and disaster relief assistance of the United Nations, including special economic assistance

Letter dated 31 January 2006 from the Secretary-General addressed to the President of the General Assembly

I have the honour to send to you a copy of a letter from President Clinton, Special Envoy for Tsunami Recovery, together with his report, entitled "Tsunami recovery: Taking stock after 12 months" (see annex).

I should be grateful if you would bring the present letter and its annex to the attention of Member States.

(*Signed*) Kofi A. **Annan**

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Annex

As we near the one-year mark of the tsunami recovery effort, it is important that we take stock of the tsunami recovery process thus far. The enclosed report describes progress and continuing challenges in the tsunami-affected countries; emerging lessons relevant to our ongoing efforts in the affected region and to international recovery responses more generally; and operational priorities in tsunami recovery for 2006.

While significant progress has been made in all the most affected countries, many hurdles remain. As media and public attention shift to other crises after the one-year commemoration this month, a major task for 2006 will be to sustain the extraordinary level of commitment that has defined the tsunami recovery process thus far. I will continue my efforts to ensure that donor Governments stay the course, by meeting their funding commitments and otherwise sustaining support to the affected Governments and populations. I will also continue to press for greater coordination among the multitude of actors involved in recovery, encourage progress on key issues such as livelihoods and housing, and promote transparency and accountability to donors and civil society.

The United Nations has played a critical role in the response of the international community to date, and the range and complexity of recovery requirements will demand a very high level of continued engagement in 2006. At the same time, our work in the recovery process is revealing systemic challenges confronting the United Nations system in the management of the transition from post-disaster relief to recovery. Some of those challenges are briefly addressed in the attached report, and it is my intention to provide you with more detailed perspectives and recommendations on this critical issue throughout the course of 2006.

(*Signed*) Bill **Clinton**

Tsunami recovery: Taking stock after 12 months

22 December 2005

Summary

1. This report, from the Secretary-General's Special Envoy for Tsunami Recovery, former United States President Bill Clinton, documents the status of the recovery effort at 12 months. The earthquake off the coast of Sumatra on 26 December 2004 and the tsunami that it triggered, and a subsequent earthquake in the same region in March, claimed the lives of over 223,492 people across 12 countries and created over $10 billion in damages. These events also triggered a massive humanitarian effort and an unprecedented outpouring of support from Governments, private companies, development banks and private citizens. Given the scale of the disaster, the recovery process is still in its early phase, but much has been achieved in this first year, including construction of transitional shelter, temporary schools and health clinics and groundbreaking on permanent homes and key infrastructure. Each affected country faces different challenges, and thus the picture of progress is an uneven one; yet common to all is the reality that it will take many years for individual households, and the wider economies on which they depend, to recover from the most destructive disaster caused by a natural hazard in recorded history. The international community can also learn much from this experience about how to better manage disasters and the ensuing recovery process. This report identifies emerging lessons relating to international coordination, national institutions, recovery planning and disaster risk reduction. Finally, the report identifies key operational priorities for 2006 that should guide the overall recovery effort to ensure continued momentum and achievement of critical objectives.

Introduction

2. Twelve months ago, on 26 December 2004, an earthquake off the western coast of northern Sumatra, Indonesia, measuring 9.0 on the Richter scale, shook the Earth's crust for a terrifying 8 minutes, triggering an intensely destructive tsunami. The waves unleashed by the quake carried an astonishing amount of force, hitting Sumatra less than 15 minutes later, and crossing the Indian Ocean at nearly 500 miles an hour. They hit the East African coastline seven hours later, 3,100 miles away from the epicentre.

3. The tsunami had an overwhelming human and physical impact. A total of 183,172 people lost their lives, a further 43,320 are still listed as missing, some 400,000 homes were reduced to rubble, 1.4 million people lost their source of livelihood, and more than 3,000 miles of roads and 118,000 fishing boats were damaged or destroyed. The disaster caused $10 billion in damages in barely 24 hours. A second massive earthquake on 28 March 2005, off the island of Nias in Sumatra, left a further 70,000 people displaced and nearly 1,000 dead.

4. The world responded to the plight of the tsunami victims on a massive scale and with unprecedented generosity. The United Nations launched a Flash Appeal for $1.1 billion for immediate needs, 85 per cent of which was pledged within four weeks. The assistance provided by the emergency relief effort, which rapidly reached over two million people, included preventive health measures, the provision of shelter and emergency food assistance. Relief agencies quickly built temporary

schools and health facilities, and the effort continues to provide assistance to those across the region who remain displaced by this disaster.

5. In the weeks following the disaster, multi-agency assessment teams calculated that approximately $10 billion would be needed to reconstruct the destroyed communities. In response, official and private pledges reached $13.6 billion. In several affected countries, the Governments established special institutions to oversee the reconstruction effort. Work on longer term reconstruction is now well under way, with permanent schools, highways and ports, and permanent homes under construction across the region. The establishment of a regional early warning system is also progressing well.

6. It is, however, far too early to declare success. Nearly 78,000 people remain in tents in Aceh and Nias, and hundreds of thousands more across the region continue to live in difficult conditions in barracks or with host families. The pace of permanent housing reconstruction has been slow and is not meeting the expectations of the tsunami survivors, as a host of logistical, labour market and policy challenges confront implementers. While more than 120,000 people in Aceh alone have benefited from short term cash-for-work programmes and some 32,000 fishing boats have been repaired or replaced across the region, the longer term livelihood prospects of survivors remain uncertain. The scale and complexity of the needs partly help explain why things are not happening as quickly as desired or anticipated, but this offers little consolation to those affected.

7. This report takes stock of progress as the tsunami recovery effort nears 12 months. It outlines where things stand in the affected countries, some of the key lessons emerging that can provide guidance for such efforts in the future and operational priorities for 2006.

Sri Lanka

8. The tsunami hit Sri Lanka's east coast within hours of the earthquake, devastating over two thirds of the island's coastline. Overall, 35,322 people were killed, with total reconstruction costs estimated at $1.6 billion.

9. The tsunami destroyed or damaged nearly 98,000 houses, leaving 516,159 people displaced. Under the leadership of the Task Force for Relief (TAFOR), the Government, donor agencies and non-governmental organizations (NGOs) acted swiftly to build transitional shelters; 54,000 shelters have been built and are housing about 95 per cent of those who had been living in different types of emergency shelter. The current priority is to ensure that substandard shelters are upgraded and that inhabitants have access to basic services.

10. With nearly all requirements for transitional shelter met, the focus has shifted to permanent housing. An estimated 100,000 houses must be constructed, roughly 32,000 of which fall within the coastal buffer zone, the 35-200 metre area closest to the ocean where the Government has restricted reconstruction. For those who lived inside the zone, new houses are being built by international donors. As of December, more than 4,299 houses had been constructed under this programme. Those households outside the zone — around 66,000 — are receiving grants to rebuild their own homes. Around 65 per cent of all tsunami-affected houses are in the initial stages of construction, and more than 5 per cent have been completed. Ongoing policy challenges regarding housing include uncertainty surrounding

government policy on the buffer zone, differences in housing standards among the various providers and the need for greater consultation with local communities. There is a need to develop guiding principles that ensure an integrated approach to housing which incorporates livelihood and infrastructure development.

11. In addition to extensive damage to the housing sector, the tsunami had a tremendous impact on people's ability to support themselves. Of the 150,000 who lost their source of livelihood, 50 per cent were employed in the fisheries sector and between 4 and 5 per cent in agriculture; the remaining 45 per cent were in tourism, small businesses, the public sector or were self-employed. The priority is to restore people's standard of living to the pre-tsunami level by the end of 2006 through cash grants, cash-for-work programmes, access to capital and financial services, training and asset repair and replacement. There has been progress. For example, by September 2005, boats and engines had been provided to 43,700 of the 54,100 affected fishermen. An estimated 70 to 85 per cent of families have regained their main source of income, although restoring livelihoods will require a sustained effort. Economic growth in 2005 is estimated at 5.6 per cent, but the tourism and fisheries sectors are yet to fully recover.

12. Public services such as health and education were also seriously affected. Close to 100 health clinics and hospitals were destroyed, and 182 schools were destroyed or damaged, affecting about 100,000 students. With the assistance of donors and development agencies, the rehabilitation of destroyed health facilities is well under way and includes plans to upgrade an additional 100 non-damaged health centres. In addition, the Government has signed agreements with over 30 major international donors to reconstruct all damaged schools. This follows an emergency programme (focused on building temporary schools and providing supplies and psychological services) that secured the return to school of 95 per cent of affected children.

13. Donors and the Government are also pursuing infrastructure repair in key areas, such as transport and port rehabilitation and upgrading, and the Government is implementing new disaster management legislation.

14. Sri Lanka's internal conflict could pose serious obstacles to recovery if progress in the peace process is not renewed soon. Failure to reach an accord will also heighten concerns that populations in the north-east have not had the same level of access to assistance as tsunami-affected populations elsewhere in the country. It is critical that the ceasefire be maintained and that all parties take steps towards resuming dialogue and reconciliation.

15. To date, donors have pledged $2.8 billion towards Sri Lanka's recovery, of which $2.1 billion has been committed and $600 million disbursed. Leadership of the longer term recovery effort was entrusted to the Task Force for Rebuilding the Nation (TAFREN), created in the immediate aftermath of the disaster. Sri Lanka's newly elected President has recently announced plans for a new reconstruction and development authority that will subsume TAFREN's mandate.

Indonesia

16. Located just 100 miles from the earthquake's epicentre, Aceh, on Indonesia's west coast, was severely impacted by the tsunami. In Aceh, 129,775 people were killed, 36,786 were reported missing and some 600,000 were initially displaced. Physical destruction in Aceh was immense, with total damage and losses estimated at $4.5 billion, almost equal to its entire gross domestic product (GDP). In Nias, already one of Indonesia's poorest areas, the 28 March earthquake caused damages and losses totalling $400 million, displaced 70,000 people and killed another 961. The longer term recovery process in Indonesia has been entrusted to the specially created Rehabilitation and Reconstruction Agency for Aceh and Nias (BRR), which reports directly to the President.

17. Housing those affected by the tsunami remains the biggest challenge, with 120,000 people still living in tents or transitional living centres, such as community barracks, often with little access to basic infrastructure. A temporary shelter plan of action, being jointly managed and implemented by the International Federation of Red Cross and Red Crescent Societies and the Red Cross Red Crescent Movement (IFRC), the United Nations, BRR and a host of international agencies, aims to provide shelter for the 78,000 people who remain in the most unsatisfactory conditions, such as tents. Recovery agencies are also upgrading Aceh's temporary living centres and will be assessing the needs of approximately 75,000 internally displaced persons (IDPs) living with host families to ensure they receive the necessary assistance. The process of constructing permanent housing must be expedited to meet the goal of housing everyone by mid-2007. At the same time, the complexities involved in determining property ownership, building drainage and coastal protection measures, and relocating communities whose land has been submerged under water mean that an earlier target date would not be realistic. As of early December, 16,200 permanent houses had been finished and 16,000 more were under construction.

18. Restoring livelihoods is also a long-term process that must address both the tsunami destruction and pre-existing poverty. Fishing, agriculture and small enterprises, previously the three main engines of Aceh's economy, were the most heavily affected sectors. In the fishing sector, 4,400 new boats have been delivered, with an additional 1,500 under construction. Two thirds of the affected farm population has already returned to farming, and businesses are restarting through grants or microfinance. Cash-for-work programmes have provided employment for over 120,000 people, but Acehnese will need to be trained for a range of activities to ensure sustainable employment over the longer term, and further access to credit must be facilitated to encourage local business development.

19. The earthquake and resulting tsunami claimed the lives of 2,500 teachers, displaced 121,000 students from their schools and damaged over 2,000 schools. With nearly all children back in some sort of classroom, efforts are now focused on rebuilding schools. The health-care system was also hit hard, but health services were quickly restored. Of the 122 hospitals and health centres damaged or destroyed, 38 have been fully restored and 51 are under construction.

20. Restoring infrastructure will be instrumental to progress in all of these sectors. While donors have made commitments to rehabilitate key roads, such as the main west coast road from Banda Aceh to Meulaboh, more focus is needed on

rehabilitating secondary roads and other infrastructure that will fuel Aceh's economic recovery, such as ice plants for the fishing industry.

21. Disaster management efforts in Indonesia are managed by the national coordinating agency for disaster response and its counterparts at the provincial, district and municipal levels. There are plans for one national and 10 regional tsunami early warning centres. Structural mitigation measures, such as stricter building codes, are being implemented, and non-structural mitigation efforts, including mangrove replanting, are under way. Pilot programmes on community-based disaster risk reduction education are also under way in Aceh.

22. The tsunami also reordered political priorities, as leaders recognized that the issues that fuelled political conflict in Aceh were far less compelling than the factors that united the Acehnese. As a result, the parties to the conflict in Aceh have embarked on a historic peace process that offers hope for peace and stability and will be critical to the success of the recovery process.

23. To date, donors have pledged $6.1 billion for recovery, of which $4.4 billion has been committed to specific projects. Of the funds pledged, approximately $3.6 billion is from multi- and bilateral donors and international financial institutions, with another $2.5 billion from NGOs and the IFRC. In addition, the Government of Indonesia has allocated $2.75 billion towards the recovery.

Maldives

24. All but nine of the 199 inhabited islands of Maldives were flooded, and 53 suffered severe damage. A third of the population was affected through loss of homes and livelihoods, and infrastructure damage. In addition, there were 82 fatalities, with an additional 26 people now presumed dead. Although losses were less in absolute terms than in other countries, the tsunami's relative impact to overall GDP was greater than anywhere else; at $470 million, total damages are equivalent to 62 per cent of GDP. This figure does not include the full costs of environmental damage, loss of private assets and other indirect costs.

25. The IDP population of Maldives is now down to 11,000 from an initial post-tsunami total of 29,000. The Government estimates that 5,215 new permanent houses will need to be built, and an additional 2,879 require repair. This will be extremely challenging due to the unique logistical hurdles of a dispersed island state, and the housing sector still has a funding shortfall of $7.5 million. To date, 805 permanent houses have been built, and a $4 million microcredit grant scheme has funded repairs for 1,183 homeowners.

26. The tourism sector, which accounted for more than 70 per cent of Maldives' GDP, was hit hard by the tsunami. Despite recent increases in tourist arrivals, the country is expected to experience at least a 30 per cent reduction in tourism revenues as compared to 2004. A total of 170 fishing boats were damaged or destroyed, and the agricultural sector also suffered losses as half of cultivated land was destroyed by salt water. Livelihood recovery programmes have given people assistance to resume fishing and tools and seeds to restart crop production.

27. The tsunami damaged the health infrastructure of Maldives, and recovery has focused on replacing lost equipment and building capacity needed for reproductive health, mental health and emergency preparedness. Educational infrastructure was also damaged, with one third of 315 schools affected. Rebuilding programmes have

thus far reached 32,000 schoolchildren, through supplies, temporary classrooms, teacher training programmes and the rehabilitation or reconstruction of 20 schools and 21 pre-schools.

28. Despite the progress made over the last year, significant challenges remain. For example, harbours, jetties and sea walls were badly damaged, and the rehabilitation of infrastructure remains under-funded. There is still an estimated donor funding gap of some $150 million, representing 30 per cent of overall requirements. In addition, Maldives faces a budget shortfall estimated at over $94 million for 2005, which must also be addressed. One positive development was the recent United Nations General Assembly decision to delay Maldives' graduation from least developed country status for a further three years, which will enable it to qualify for certain types of preferential assistance. Ongoing loan discussions will also reduce the funding gap to some extent.

India

29. The tsunami affected more than 1,400 miles of India's southern coastline. The devastation was also widely felt in the Andaman and Nicobar Islands, whose southernmost island was less than 100 miles from the earthquake's epicentre. Across some 1,089 villages, the death toll was 12,405 (75 per cent were women and children). Close to two million people have been directly or indirectly affected in India, where damages are estimated at $2.56 billion and projected recovery needs total $2.1 billion.

30. Central and state governments led rescue and relief efforts with support from NGOs, United Nations agencies and Indian civil society; 39,000 temporary shelters were built across 900 relief camps to accommodate the 647,599 people displaced by the tsunami. To prevent the outbreak of disease, 1,360 medical teams were deployed, and food, clothing, water and cash allowances were quickly distributed.

31. By mid-2006, 70 per cent of the 68,609 destroyed houses on the mainland are expected to have been replaced, although land availability remains an ongoing challenge. Progress has been slower in the Andaman and Nicobar Islands in part because of their remoteness and the destruction of key logistical facilities.

32. A total of 360 schools were destroyed or damaged, but most of the schools reopened under temporary arrangements within two to three weeks of the disaster. Reconstruction programmes are being administered primarily by state governments. Work has also begun on rehabilitating 80 destroyed or damaged hospitals and health centres and is expected to be completed by 2007.

33. More than 80,000 fishing boats were destroyed or damaged. The central government, through funds from the Rajiv Gandhi Rehabilitation Package, has directed $267 million to the fishing community. Replacement of boats on the mainland is complete, with over half the funding coming from NGOs; over-fishing is now a risk as overall capacity has actually increased. The agriculture and livestock sectors were also disrupted, with 39,035 hectares of land damaged and 31,755 livestock killed. A substantial part of the land affected by seawater has now been treated for salinity, and in Tamil Nadu, for instance, the first salt-resistant paddy crop has been sown in large tracts. Repairs have started on infrastructure including roads, wharfs, dry docks and jetties.

34. Parliament approved a new disaster management bill this month. Among other things, it establishes disaster management authorities at the central, state and local levels. The law also establishes specialized funds for disaster response and mitigation. India is also deeply engaged in preparations for a tsunami early warning system at both the national and regional levels.

35. The majority of the $2.18 billion secured for long-term recovery will be provided by the Indian Government, although some $800 million has been pledged from external sources, primarily international financial institutions.

Thailand

36. The tsunami devastated Thailand's Andaman coast, leaving 8,212 people dead or missing; about a third were foreign tourists. The tsunami affected more than 400 villages, 47 of which were almost completely destroyed. Damage and losses were close to $2.2 billion, hitting the tourism sector and fishing communities especially hard. Thailand's capacity to respond on its own, with a particularly effective emergency response in the early days, has meant that the international community is playing a small, albeit strategic, role in the country's recovery.

37. Vulnerable groups including ethnic minorities (Moken, Moklen and Urak Lawoi), poor Muslim fishing communities and migrant workers were among the hardest hit. Almost 5,000 houses were damaged or destroyed, and the livelihoods of well over 200,000 people were affected. While 20 per cent of schools in the affected area were damaged or destroyed, the education sector recovered quickly and all schools reopened by 10 January 2005.

38. Longer term recovery efforts are well under way, with special attention being paid to the fisheries sector, small businesses and the tourist industry. Some 6,000 boats were damaged or lost, and the government compensation programmes for fishermen have been supplemented by national and international agencies and aid groups providing training, microcredit and other assistance. The tourism sector suffered revenue losses of about $1.4 billion, and the rebound in arrivals has been slower than expected. The Government continues to support measures to speed up the recovery with packages and incentives to encourage tourists to return to the affected areas.

39. The Government has also invested in the establishment of an early warning system and in disaster preparedness planning. A national warning centre has been established that receives international tsunami advisory information. Warning dissemination mechanisms include television, radio and sirens. Community-level disaster preparedness and outreach programmes on natural hazards have been established, and tsunami evacuation maps and signs have been produced and installed in the coastal areas of Phuket, Phang Nga and Krabi.

40. Much of the recovery funding is coming from the Government, which has provided approximately $1.1 billion in relief and reconstruction funds, of which $65 million was assistance to the affected population, $920 million was credit to businesses, $39 million was for the rehabilitation of the public sector and $4.1 million was for the rehabilitation of infrastructure. International funding totals $69 million.

Malaysia, Myanmar, Seychelles, Somalia, and United Republic of Tanzania

41. The tsunami was exceptional both in the intensity of its devastation and its wide geographical reach, with waves impacting land and people 4,000 miles from the earthquake's epicentre. Beyond the five worst affected countries, Malaysia, Myanmar, the Seychelles, Somalia and the United Republic of Tanzania also experienced varying degrees of destruction.

42. The tsunami was the worst disaster caused by a natural hazard in Malaysia's history, claiming 69 lives and destroying the houses of 8,000 people, many of them in poor fishing communities. All of those whose homes were destroyed remain in temporary shelter awaiting the construction of permanent housing on land allocated by the Government.

43. In Myanmar, the official death toll was 61, with 200 villages and between 10,000 and 15,000 people affected along the southern coast. Emergency food aid and medical supplies were distributed, and assistance was provided to upgrade the water supply in affected areas. Community training in disaster preparedness and mitigation is under way.

44. The tsunami damaged housing and infrastructure in the Seychelles, where two people were killed, 950 families displaced and 1,500 fishermen affected. The National Emergency Foundation, which was largely privately funded, provided immediate rescue and clean-up assistance. Plans for longer term recovery include rehabilitating roads, bridges and a fishing pier and replacing fishing boats.

45. In Somalia, 78 people were killed and 211 people remain missing, 44,000 people were directly affected and some 2,000 dwellings damaged. Somalia has been suffering from a four-year drought. This, combined with existing vulnerabilities, exacerbated the tsunami's impact, worsening an already dire humanitarian situation. In the emergency phase, clean water, food, fishing gear and shelter were provided to displaced persons. Recovery assistance continues through housing aid, a road improvement programme, and support to schools in affected areas.

46. In the United Republic of Tanzania, the tsunami claimed 13 lives. The disaster revealed shortcomings in the country's disaster preparedness and early warning capacities. These capacities are now being assessed, and the United Republic of Tanzania will be included in the regional tsunami warning system.

Emerging lessons

47. The first 12 months of recovery operations have revealed some key lessons that should inform our ongoing responses to recovery requirements in the tsunami-affected countries. These lessons are also relevant to other post-disaster recovery operations that donors and Governments are likely to confront in the years to come.

Coordination

48. *To ensure coherent and well-integrated recovery efforts, Member States should strongly support the development of international mechanisms for coordination in the transition from relief to recovery and beyond.*

49. The tsunami operation involves an unprecedented number of actors, spread across 12 countries, 5,000 miles of coastline and an entire ocean. At the broadest policy level, the Global Consortium on Tsunami Recovery, a unique gathering of

key Governments, international financial institutions, multilateral organizations and NGOs, has met periodically under the Chair of the United Nations Special Envoy to ensure a shared sense of priorities, develop common strategies and promote progress in key areas. In the field, established systems worked well for the emergency phase, whether they involved a strong United Nations role, as in Indonesia or Sri Lanka, or were purely government-led, as in India. But the international community has yet to develop a predictable and effective coordination structure, planning platform and support system for the transitional/recovery phase. This complicates the transition from relief to recovery and creates uncertainty about agency responsibility for key activities such as construction of transitional shelter in Aceh. Recognizing the institutional, coordination and strategic planning gap that exists in disaster recovery, the United Nations system and Member States should support initiatives to identify what support is needed to improve coordination of disaster recovery efforts, recognizing that this transition is not a smooth linear process and that government leadership is crucial to a successful recovery.

Strong national leadership in recovery

50. *A complex recovery process requires empowered leadership at the highest level and national leaders should be encouraged to ensure that officials in charge of recovery have such authority.*

51. Even in the aftermath of a crisis, the temptation to return to business as usual or to counterproductive turf wars can be considerable. Heads of Governments must break through bottlenecks, whether they involve customs duties that are slowing down the import of critical items or financial disbursement procedures that create unacceptable delays. In this context, Governments are urged to abide by international decisions and agreements to facilitate and expedite the provision of assistance. A single executive agency, unambiguously accountable for results and empowered to take extraordinary measures, can be an effective expression of the kind of leadership that is needed.

52. For example, Sri Lanka and Indonesia created specialized institutional arrangements to meet this challenge. BRR is a particularly ambitious model of an executive agency with a direct reporting line to the President of Indonesia and a strong mandate to plan and coordinate the overall recovery effort as well as implement projects where necessary. Sri Lanka's TAFREN had a more modest mandate, emphasizing coordination and planning. The new government has announced TAFREN's absorption into a reconstruction and development authority, which is expected to have a broader mandate. India has not created any new institutions with implementation capacity for tsunami recovery, but state governments have effectively exercised their exceptional powers for disaster response, especially working at the district level.

Accountability and transparency measures

53. *Affected Governments, United Nations agencies and NGOs must be prepared to establish a range of mechanisms to ensure accountability to donors, the general public and the affected populations.*

54. Tsunami-affected Governments have put in place a range of special audit mechanisms and anti-corruption pacts. Several large, professional accounting firms made pro bono donations of their services to the United Nations system. The United

Nations created an online global financial tracking system for the emergency phase, and government-managed aid tracking and management systems for the longer term reconstruction effort have been established in Sri Lanka, Indonesia, Maldives and Thailand. Agencies have also increased their evaluation and reporting capabilities to meet the informational requirements of a wider audience than the traditional donor community. Many are undertaking detailed evaluations that will greatly assist in improving how such operations are managed in the future and that are important signs of commitment to accountability. For example, the Tsunami Evaluation Coalition has brought together a broad coalition of bilateral and multilateral agencies that are collaborating to identify lessons from the first year of operations.

55. More needs to be done to improve tools for accountability and transparency for these kinds of operations, however. Financial tracking sites for the recovery effort came online late and are still being finalized. Better integration of their data into government financial management systems is necessary. Finally, and perhaps most importantly, greater efforts must be made to engage beneficiary populations in processes of consultation, which are critical to accountability.

Measuring progress

56. *Donor Governments, United Nations agencies and NGOs must develop more effective means to define development goals and measure progress in post-disaster recovery processes.*

57. In the case of the tsunami and other disasters, needs assessments have tended to focus on restoring losses and reconstructing to modern standards rather than improving socio-economic baselines. Efforts must be made to define and implement the concept of "building back better", so that populations will be better off and communities safer than they were prior to a disaster. This effort should be linked to identifiable progress in areas such as economic diversification, disaster reduction and related goals that go beyond the replacement of lost assets. Moreover, a thorough assessment of the success of recovery will require critical judgements about how the lives of beneficiaries have changed. For this reason, the Global Consortium has strongly supported a social impact assessment framework initiated in tsunami-affected countries by the World Health Organization and the IFRC.

Disaster reduction and preparedness

58. *To ensure that communities are safer than they were before the tsunami, Governments must commit to a broad disaster reduction and preparedness agenda and integrate this agenda into recovery strategies.*

59. The impact of disasters can be mitigated through a wide range of measures, from resiting settlements to improved building codes to preparatory measures that better equip communities to respond. It is therefore imperative that risk reduction strategies are incorporated early on in recovery and reconstruction planning. The international community has committed itself to this agenda through a number of international agreements, most notably in Hyogo, Japan, just weeks after the tsunami struck, where 168 countries came together and agreed to the Hyogo Framework for Action. The Framework sets strategic goals, priorities and concrete steps for Governments on disaster risk reduction.

60. The regional tsunami early warning system is expected to be complete by the summer of 2006, and an interim warning system is now in place. Over the past 12 months, most countries have either established or reviewed their existing disaster management laws and their national and local coordination mechanisms, such as national platforms to guide disaster risk reduction. They are working to establish clearer responsibilities to ensure that early warning systems are people-centred. But the critical elements of community preparedness, community education and outreach programmes are generally not yet in place in most countries. Only a few countries have developed tsunami emergency plans or tested response procedures for tsunamis and earthquakes, and much of the data needed to develop these plans have yet to be collected.

Livelihoods and the economy

61. Livelihood efforts must be effectively integrated among all relevant actors (national governments, United Nations country teams, NGOs, international financial institutions and the private sector) and should be undertaken with a long-term view towards generating sustainable economic growth.

62. Programmes to restore livelihoods have focused on replacing lost or damaged assets, generating employment through cash-for-work programmes and reconstruction, reviving the tourism sector and providing access to capital to small and medium businesses. To minimize the risks of future economic disruption, communities must diversify the sources of their livelihoods. Yet most of the interventions for livelihood development focusing on cottage or small-scale production have been of insufficient dynamism to generate the savings and investment required for rapid job creation and income growth. This is due in large measure to the relative poverty of the affected populations, but it also results from livelihood programmes that are often ad hoc and do not reflect a strategic, longer term plan.

Equity in recovery

63. *Donors, United Nations agencies and NGOs must encourage Governments to ensure that recovery resources are equitably distributed.*

64. A recovery process must ensure against exacerbation of inequities. Across the tsunami-affected region, Governments and other actors must ensure that equitable benefits are provided to both displaced victims of existing conflicts and those directly affected by the tsunami. District-based approaches covering both tsunami and conflict-affected populations should be adopted so that assistance does not create further divisions within communities. Inequities vis-à-vis traditionally marginalized populations must also be avoided.

Political reconciliation, reform and recovery

65. *Political reconciliation and reform can be critical enablers for recovery.*

66. As demonstrated in Aceh, political reconciliation can enhance dramatically the prospects for effective recovery. Effective recovery is also facilitated by good governance, including transparency and accountability in decision-making and in the allocation of resources and consultation with affected communities.

Key operational priorities for 2006

67. Drawing largely on these lessons, affected and donor Governments, United Nations agencies, international financial institutions, the IFRC and NGOs should consider the following areas for special attention in 2006.

68. **Restoration of livelihoods**: There is a need for more coordinated approaches designed to improve agriculture and fisheries, develop new sectors such as construction, increase access to capital for individuals and businesses and provide professional skill training. Livelihood projects must balance immediate needs for tsunami victims with a long-term vision of economic recovery and sustainable growth for all market participants.

69. **Shelter and housing**: Prompt implementation of the plan of action for temporary shelter in Aceh and acceleration of the pace of permanent housing construction will be critical in Indonesia, Sri Lanka and Maldives in 2006. Due regard must be given to the need for community consultation on issues such as economic viability, environmental sustainability and access to livelihoods and public services.

70. **Disaster reduction**: Governments should move forward vigorously to implement the disaster reduction guidelines established by the Hyogo Framework and support national and international initiatives related to community education, early warning, environmental protection and related objectives.

71. **Accountability and transparency**: The effectiveness of the Development Assistance Database and other accountability mechanisms must be enhanced, and Governments should be encouraged to more fully engage civil society in consultation on key recovery issues.

72. **Funding gaps**: While most recovery programmes are adequately funded, some countries face funding gaps in particular sectors. Maldives faces an overall project financing gap, as do some of the lesser affected countries, pointing to unequal regional support by donors. The international donor community should take measures to address these shortfalls as a matter of priority.

73. It will be critical in 2006 to continue to make progress for the millions of beneficiaries still in great need. The affected Governments must ensure that their national recovery plans incorporate disaster risk reduction and "building-back-better" objectives and contain timelines for progress. They must implement these plans effectively. All agencies, including the United Nations, the international financial institutions, the Red Cross movement and the NGO community, must support these national efforts and continue to give the tsunami recovery operation the institutional attention it deserves. In sustaining this commitment, the international community will keep faith with the millions who suffered so dramatically during the 2004 tsunami and its aftermath and enhance their prospects for a brighter future.